REMARKS

The Application has been carefully reviewed in light of the Final Office Action ("Office Action"). At the time of the Office Action, Claims 1 and 4-32 were pending in the Application. In the Office Action, the Examiner rejects Claims 1 and 4-32. Applicants traverse the rejection and respectfully request reconsideration and allowance of Claims 1 and 4-32.

Claim Rejections - 35 U.S.C. § 102

The Examiner rejects Claims 1 and 4-32 under 35 U.S.C. 102(e) as being anticipated by U.S. Patent Application Publication No. 2003/0144057 A1 to Brenner, et al. (*"Brenner"*). Applicants traverse the rejection and respectfully request reconsideration and allowance of Claims 1 and 4-32.

The rejection is improper because *Brenner* fails to teach, suggest, or disclose each element of Claim 1. In a Response dated November 26, 2007, Applicants showed that *Brenner* fails to teach, suggest, or disclose determining "a settlement between the first and second wagering facilities" where the "first wagering facility...comprises a first totalisator" and the "second wagering facility...comprises a second totalisator" as recited in Claim 1. Applicants further showed that the "user terminals" in *Brenner* are not a "wagering facility that comprises a...totalisator" as recited in Claim 1.

The Office Action ignores this point and the Examiner continues to reject Claim 1 by improperly equating the "user terminals" in *Brenner* with a "wagering facility that comprises a...totalisator" as recited in Claim 1. For example, in discussing Claim 1, the Office Action states: "the first wagering facility can be user computer through which the user makes the selection." (Office Action, p. 2). At another point, the Office Action states: "*Brenner* discloses of a first wagering facility...wherein the user terminals is the first wagering facility which could consist of plurality of betting terminals." (Office Action, p. 7). The Office Action cites element 122 of Figure 1 in *Brenner*, which is a box labeled "user terminal." (Office Action, p. 7). Thus, the Examiner continues to equate the "first wagering facility" in Claim 1 with the user terminals in *Brenner*.

Equating the "user terminals" in *Brenner* with the "first wagering facility" recited in Claim 1 is improper because the "user terminals" in *Brenner* are not a "wagering facility that

comprises a...totalisator" as recited in Claim 1. *Brenner* explains that "user terminals" are devices that may be located in the homes of racing fans. (¶ 103). There is nothing in *Brenner* that teaches, suggests, or discloses that a "user terminal" is a "wagering facility that comprises a...totalisator" as recited in Claim 1.

As Applicants explained in their previous Response, an individual bettor in *Brenner* uses a "user terminal" to establish a connection with a totalisator at a racetrack. (¶ 57-58). The system in *Brenner* may debit and credit an account between the individual bettor and the totalisator. (¶¶ 58, 121, 126, 148). In the Office Action, the Examiner equates debiting and crediting of the bettor's account in *Brenner* with the "settlement" recited in Claim 1. (Office Action, p. 3). Even assuming the Examiner's assertion for the sake of argument, the debiting and crediting in *Brenner* is between a bettor and a totalisator -- not between a "first wagering facility that comprises a first totalisator" and a "second wagering facility that comprises a second totalisator" as recited in Claim 1. Therefore, *Brenner* fails to teach, suggest, or disclose determining a settlement "*between the first and second wagering facilities" where the "first wagering facility...comprises a first totalisator" and the "second wagering facility...comprises a second totalisator*" as recited in Claim 1. (Emphasis added).

At one point in the Office Action, the Examiner seems to offer an alternative interpretation of *Brenner* by cryptically equating the "distribution facility" or "distribution network" in *Brenner* with a "wagering facility" as recited in Claim 1. (Office Action, p. 8). However, *Brenner* describes the "distribution facility" as merely a "cable headend." (¶ 54). In addition, *Brenner* describes the "distribution network" as merely a communication network (e.g., cable or satellite network). (¶ 56). Neither the "distribution facility" nor the "distribution network" in *Brenner* "comprises a...totalisator" as recited in Claim 1. Accordingly, the "distribution facility" and the "distribution network" in *Brenner* do not teach, suggest, or disclose a "wagering facility that comprises a...totalisator" as recited in Claim 1.

Applicants respectfully remind the Examiner that "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." MPEP § 2143.03 (citing *In re Wilson*, 424 F.2d 1382, 165 USPQ 494, 496 (C.C.P.A. 1970)). In addition, "The identical invention *must* be shown in as complete detail as is contained in the...claim," and "[t]he elements *must* be arranged as required by the claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989); MPEP § 2131 (emphasis

added). As shown above, the rejection is improper because *Brenner* fails to teach, suggest, or disclose determining "a settlement between the first and second wagering facilities" where the "first wagering facility...comprises a first totalisator" and the "second wagering facility...comprises a second totalisator" as recited in Claim 1. For at least this reason, Applicants respectfully request reconsideration and allowance of Claim 1.

In rejecting Claims 21 and 26, the Examiner employs the same rationale used to reject Claim 1. Accordingly, for at least the reasons stated above with respect to Claim 1, Applicants respectfully request reconsideration and allowance of Claims 21 and 26.

Claims 4-20, 22-25, and 27-32 depend from independent claims shown above to be allowable. In addition, these claims recite further elements that are not taught, suggested, or disclosed by the cited reference. For example, *Brenner* fails to teach, suggest, or disclose that "the one or more contract parameters between the first and second wagering facilities define a first fee charged by the second wagering facility to the first wagering facility" and "the one or more second contract parameters defining a second fee charged by the second wagering facility to the third wagering facility" as recited in Claim 5. In the Office Action, the Examiner cites a portion of *Brenner* that describes fees charged to an individual bettor. (¶ 164). In particular, the cited portion of *Brenner* states that "user terminal 370 can maintain a running log of transaction fees charged the user for making selections such as 'watch the race,' etc. Periodically, this log may be transferred to subscriber facility 400, which compiles a bill for the user, or which debits the user's account (at bank 412 or wagering data management facility 380)." (¶ 164). Thus, *Brenner* discloses transaction fees that are charged to a bettor and debited from the bettor's account. As shown above with respect to Claim 1, the bettor and the user terminal in *Brenner* are not a "wagering facility that comprises a...totalisator." Therefore, a transaction fee that is merely charged to a bettor does not teach, suggest, or disclose "a first fee charged by the second wagering facility to the first wagering facility" and "a second fee charged by the second wagering facility to the third wagering facility" as recited in Claim 5. Because *Brenner* fails to teach, suggest, or disclose this aspect of Claim 5, the rejection is improper.

For at least the foregoing reasons, Applicants respectfully request reconsideration and allowance of Claims 4-20, 22-25, and 27-32.

CONCLUSION

Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending claims.

If the Examiner feels that a telephone conference would advance prosecution of this Application in any manner, the Examiner is invited to contact Justin N. Stewart, Attorney for Applicants, at the Examiner's convenience at (214) 953-6755.

Applicants believe that no fee is due; however, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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Date: May 5, 2008

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